



**Number:** USF5.001  
**Title:** Waste, Fraud, or Financial Mismanagement  
Prevention and Detection  
**Responsible Office:** Office of Internal Audit

**Date of Origin:** 3-9-17

**Date Last Amended:** 6-24-20 (technical)

**Date Last Reviewed:** 6-24-20

\*Regulation 5.001 formerly known as USF Policy 0-024: Fraud Prevention and Detection

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## **I. PURPOSE AND INTENT**

This Regulation addresses the responsibility of all University of South Florida (USF) and related entity employees for detecting and reporting known or suspected waste, fraud or financial mismanagement. This responsibility also extends to business entities conducting business with USF.

## **II. STATEMENT OF REGULATION**

USF is committed to the highest standards of ethical behavior. USF strives to identify and promptly investigate any possibility of wasteful, fraudulent or related dishonest activities including financial mismanagement against USF or its students and employees and to take appropriate disciplinary or legal action.

## **III. APPLICABILITY AND/OR AUTHORITY**

Pursuant to [Board of Governors Regulation 4.001: University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement](#), each board of trustees shall adopt a regulation which requires timely notification to the Board of Governors, through the Office of Inspector General and Director of Compliance (OIGC) for the State University System of Florida Board of Governors, of any significant and credible allegation(s) of fraud, waste, mismanagement, misconduct, and other abuses made against the university president or board of trustee member and the regulation shall articulate how the university will address any significant and credible allegation(s) of fraud, waste, mismanagement, misconduct, and other abuses made against the chief audit executive or chief compliance officer.

#### **IV. PROCESS STEPS/SPECIFIC PROVISIONS**

Waste, fraud, or financial mismanagement can be generally defined as a willful or deliberate act or omission with the intention of obtaining an unauthorized benefit, service, property, or something of value by deception, misrepresentation, or other unethical or unlawful means. These activities include, but are not limited to:

- Forgery or alteration of documents (e.g. checks, time sheets, contracts, purchase orders, budgets, etc.).
- Misrepresentation of information on documents.
- Misappropriation of funds, supplies, or any other asset.
- Theft, disappearance, or unauthorized destruction of any asset.
- Improprieties in the handling or reporting of money transactions.
- Authorizing or receiving payment for goods not received or services not performed.
- Authorizing or receiving payment for hours not worked.

#### **Prevention**

All levels of USF management must be familiar with the types of improprieties that may occur in their areas of responsibility and must be alert for any indication of wasteful, fraudulent or dishonest acts including financial mismanagement. “Risk ownership” for such activities resides with each USF vice president/chancellor and each is, therefore, responsible for ensuring that a system of internal controls are established and maintained that provides reasonable assurance that improprieties are prevented. All levels of USF management must establish and follow internal controls necessary for their operations. Internal Audit (IA) is available to assist management in establishing effective internal controls and recognizing improper conduct.

#### **Detection**

USF Management is responsible for being aware of exposures and symptoms of waste, fraud, or financial mismanagement in their operational areas and for detecting such potential activity.

All USF and related-entity employees are required to immediately report wasteful, fraudulent or dishonest acts, including financial mismanagement which they suspect, observe, or have made known to them. All USF and related-entity employees must use one of the following two reporting mechanisms:

1. Anonymously report wasteful, fraudulent, or dishonest activity or any other violation of USF policy or regulation through the USF *EthicsPoint* hotline at 1-866-974-8411 or [www.ethicspoint.com](http://www.ethicspoint.com); OR

2. Report the incident or practice to their supervisor for subsequent reporting to the appropriate management official. If the USF employee believes their supervisor may be involved, then the employee must report the incident or practice to the next higher level of management or Internal Audit. If the USF employee believes Internal Audit may be involved, then the employee must report the incident or practice to the Office of the General Counsel.

All members of the USF community may submit an anonymous report of wasteful, fraudulent, or dishonest activity or any other violation of USF policy or regulation through the USF *EthicsPoint* hotline at 1-866-974-8411 or [www.ethicspoint.com](http://www.ethicspoint.com).

### **Investigation**

Internal Audit is the official contact point for all persons reporting suspected wasteful or fraudulent activities, including financial mismanagement either directly or through the supervisory chain of command. Internal Audit will oversee all investigations into allegations of falsification, misappropriation, and other financial irregularities. Internal Audit has free and unrestricted access to all USF and related entity records and documents and premises, whether owned or rented, and the authority to examine, copy, and/or remove such records and documents.

### **Reporting**

1. If an investigation reveals suspected criminal activity, Internal Audit will notify University Police. Internal Audit will also inform and consult with the General Counsel, Office of Research & Innovation, Human Resources, and the Office of the Provost or USF Health Faculty Affairs, as appropriate.
2. If an investigation reveals significant and credible allegation(s) of fraud, waste, mismanagement, misconduct and other abuses made against the USF President or a member of the Board of Trustees, Internal Audit shall timely notify the Office of Inspector General and Director of Compliance (OIGC) for the State University System of the Florida Board of Governors and such matters will be handled in accordance with [BOG Regulation 4.001](#).
3. Allegations or matters of conduct deemed outside the scope of this policy, such as academic or research misconduct, must be referred to the appropriate management area for review and action. To avoid damaging the reputations of innocent persons and to protect USF from potential liability, investigative information will not be disclosed or discussed with anyone other than those persons who have a legitimate need to know, and within the limits of applicable law. Managers or other persons who become aware of potential wrongdoing should not attempt to interview or contact persons involved or discuss the circumstances of the situation with anyone other than the appropriate USF official. All members of the USF community are expected to support USF's fiduciary responsibilities and to cooperate with USF and law enforcement agencies in the detection, investigation,

and reporting of fraudulent or criminal acts, including the prosecution of offenders.

**Disciplinary Action**

Anyone found to have engaged in wasteful or fraudulent conduct, including financial mismanagement, is subject to disciplinary action up to and including dismissal or expulsion and civil or criminal prosecution. Employees who deliberately, willfully, and knowingly make false accusations are subject to disciplinary action up to and including dismissal. USF will make every effort to recover losses that result from fraudulent or criminal acts.

Related Documents: §§ 112.311-112.326 Fla. Stat. - Code of Ethics for Public Employees; §§ 112.3187-112.31895 Fla. Stat. - Whistle-blower’s Act; Internal Audit Charter.

*Regulation 5.001 formerly known as USF Policy 0-024: Fraud Prevention and Detection*

*Authority: Art. IX, Sec. 7, Fla. Const.; FL Board of Governors Regulation 4.001.*

*History – New (BOT approval) 3-9-17, Amended 5-2-17 (technical), Amended 6-24-20 (technical).*

*Consolidation Amendments Effective: 7-1-20*

*Certification: USF certifies that it has followed the Florida Board of Governors Regulation Development Procedure and has a record of written notices, comments, summaries and responses as required.*